

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2019-17-WS - ORDER NO. 2019-125  
FEBRUARY 20, 2019

IN RE: Petition of Carolina Water Service, Inc. for	)	ORDER GRANTING
an Accounting Order to Defer and Record as	)	ACCOUNTING ORDER
a Regulatory Asset Certain Operations and	)	TO DEFER CERTAIN
Maintenance Expenses Caused by Hurricanes	)	OPERATIONS AND
	)	MAINTENANCE
	)	EXPENSES

This matter comes before the Public Service Commission of South Carolina (“the Commission”) by way of the Petition of Blue Granite Water Company (“the Company”), formerly Carolina Water Service, Inc. The Company filed on January 4, 2019, pursuant to S.C. Code Ann. Sections 58-3-140, 58-5-210, S.C. Code Ann. Regs. 103-830, and other applicable Commission rules and regulations, for an accounting order for regulatory and financial accounting purposes authorizing the Company to amortize, over a period of up to 5 years, \$208,713.59 in extraordinary operations and maintenance expenses incurred as the result of Hurricane Florence and Hurricane Michael beginning on September 21, 2018.

The request for relief within the Petition neither involves a change to any of the Company’s retail rates nor does it require a change in any Commission rule or regulation. Granting relief will not prejudice the right of any party to address the prudence of the costs in a subsequent rate case proceeding. The Commission, the Office of Regulatory Staff (“ORS”), or any other party, retains the right to address the reasonableness of these costs, including the remaining unamortized balance, in a subsequent general rate case or other

proceeding. On January 23, 2019, the ORS filed a letter stating it does not object to the Company's request if the above provision regarding retaining the right to address the reasonableness of the costs is included in this Order.

According to the Company's verified Petition, on September 8, 2018, South Carolina Governor Henry McMaster declared a State of Emergency in South Carolina in anticipation of the impacts of Hurricane Florence (S.C. Exec Order 2018-26) and on September 16, President Trump issued a Major Disaster Declaration for the state of South Carolina (FEMA-4394-DR). On September 24, 2018, Gov. McMaster declared that the State of Emergency remained in effect, having displaced over 37,600 people (S.C. Exec Order 2018-42), and on October 9, 2018, Gov. McMaster issued an order extending the State of Emergency for South Carolina because of the impacts from Hurricane Florence and in anticipation of the potential effects from Hurricane Michael (S.C. Exec Order 2018-48).

During these emergencies, the Company incurred \$208,713.59 in extraordinary operations and maintenance expenses to maintain the integrity of its water and wastewater facilities. The Company submitted a detailed listing of expenses incurred, totaling \$175,237.93 for Hurricane Florence and \$33,475.66 for Hurricane Michael. The systems most affected include Friarsgate and Garden Brooke in Lexington County, Forty Love and Farwood Estates in Richland County, and Lake Wylie in York County. The major components of the costs were incurred due to emergency response contractors pumping and hauling from manholes, pump stations, and sewer plants to prevent sanitary sewer overflows caused by the impact of the hurricanes on sewer collection systems and treatment

plants. The two largest expenses of \$35,350 and \$31,740 were for rental and delivery of a generator to Friarsgate in Lexington County.

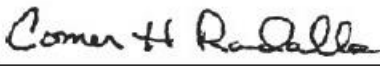
IT IS THEREFORE ORDERED THAT:

1. The Company's request to amortize operations and maintenance expenses not to exceed \$208,713.59 over 5 years (\$41,742.72 annually) incurred responding to Hurricane Florence and Hurricane Michael is granted, and

2. The Commission, ORS, and any other party retain the right to address the reasonableness of the costs, including the remaining unamortized balance, in any subsequent general rate case or other proceeding.

3. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
Comer H. "Randy" Randall, Chairman

ATTEST:

  
Jocelyn Boyd, Chief Clerk/Administrator